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January 13, 2005

TO: Each Supervisor

FROM: Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite", is written over the printed name and title.

SUBJECT: PROGRESS REPORT ON PHYSICIAN MANAGEMENT, PERFORMANCE EVALUATIONS, WORKLOAD REPORTS AND PEER REVIEW

This is in response to Supervisor Antonovich's motion of December 7, 2004 to provide a monthly status report on activities related to physician evaluation, oversight and management. The most critical change in the Department of Health Services (DHS) relative to these issues is the hiring of a Senior Medical Director for Clinical Affairs and Affiliations who will coordinate the development and implementation of the following activities and programs.

Physician Workload

The DHS approach to workload measurement has traditionally centered on metrics used by Finance. DHS medical leadership, working cooperatively with Finance and Operations staff has developed a process to map workload into clinical measures that reflect the amount and intensity of physician services. The process has been useful in comparing clinical work across the four acute hospitals, but requires a significant amount of manual effort.

The future DHS automated approach will include:

- Transmitting and aggregating all important clinical transactions (outpatient visits, inpatient admissions, etc.) daily
- Applying department-wide business rules to ensure we compare data appropriately
- Calculating Relative Value Units (RVUs), a nationally accepted standard for physician worktime or complexity
- Benchmarking across facilities

Workplans with appropriate milestones are under development for each of these program steps.

Peer Review

The Department is completing on-site independent review and oversight of the peer review and potential quality and other credentialing processes at all facilities. These reviews have focused specifically on quality of file contents, completeness of documentation and loop closure for all identified issues. These facility reviews will be completed by the end of January 2005. A report of this system-wide assessment with accompanying action plan will be completed by mid-March.

The Department is also evaluating the University Healthcare Consortium's clinical database program which allows comparison of facility and physician outcomes against national data sets from academic medical centers. Currently evaluation is focusing on issues of data extraction and validation prior to developing an implementation plan.

Physician Management, Monitoring and Evaluation

The vast majority of physician services are delivered through, or in relation to, contracts with the three medical schools in Los Angeles – USC, UCLA and Drew University. The USC and UCLA affiliation agreements are currently being re-negotiated. A major objective of these re-negotiated affiliation agreements is a more articulated set of reporting requirements for academic and clinical performance monitoring and accountability. The affiliation agreement with Drew University was approved by the Board on September 14, 2004. This affiliation agreement contains specific oversight requirements, and financial sanctions were included in the contract to encourage accountability. To support these enhanced oversight requirements, the Department is developing a formal contract compliance program for all three contracts to ensure that all requirements are met. This compliance program will be implemented in 90 days.

The next status report will describe updates on each of these program development and implementation efforts as well as an update on the status of enhanced accountability measures in the USC and UCLA contract negotiations.

Please let me know if you have any questions.

TLG:bc
412:007

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors